

M E M O R A N D U M

JANUARY 28, 1988

TO: BOSTON REDEVELOPMENT AUTHORITY
AND STEPHEN COYLE, DIRECTOR

FROM: RICARDO MILLETT, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT

SUBJECT: AMENDMENT TO THE HOUSING CREATION PROPOSAL
SUBMITTED BY THE RAYMOND GROUP AND APPROVED BY THE
BRA ON JULY 16, 1987

EXECUTIVE
SUMMARY:

On July 16, 1987, the BRA approved a Housing Creation Proposal by the Raymond Group as developer for Navy Yard Biotech Associates Ltd. dedicating \$116,000 to the Charlestown Economic Development Corporation as a predevelopment expense loan for their proposed development of 32 units of housing, 13 of which are affordable, on Parcel C-2A1 in Charlestown. Due to unanticipated additional costs incurred, it is recommended that this loan be converted to a grant at this time. Approval of this amendment to the Housing Creation Plan is requested.

On April 19, 1985, the Constitution Office Park Associates Limited Partnership entered into a Development Impact Project Agreement ("DIP Agreement") with the Boston Redevelopment Authority with regard to Building 149 in the Charlestown Navy Yard. On December 8, 1986, the Authority approved the acquisition of Building 149 by Navy Yard Biotech Associates Ltd., a Massachusetts limited partnership of which Neil St. John Raymond ("The Raymond Group") is the general partner. In addition to acquiring the lease for the building, Navy Yard Biotech assumed all liabilities of the development of the project, including a Development Impact Project Exaction, or so-called "linkage payment" of approximately \$2,711,805. This amount was to be paid in twelve (12) equal annual installments of approximately \$225,983.75 pursuant to Article 26 of the Boston Zoning Code. Navy Yard Biotech elected to submit a Housing Creation Proposal, calling for a direct commitment of funds, in addition to making payments to the Neighborhood Housing Trust.

On July 16, 1987, the Boston Redevelopment Authority approved Navy Yard Biotech's Housing Creation Proposal, which dedicated the net present value of Navy Yard Biotech's second payment, approximately \$200,000, to two affordable housing developments in the neighborhoods. One of these projects, Casa

Esperanza in Roxbury, received a \$84,000 grant. The other project, to be completed by the Charlestown Economic Development Corporation on Parcel C-2A1 in Charlestown, received a \$116,000 predevelopment expense loan, repayable upon construction financing.

The CEDC, a local non-profit developer, proposes to develop 32 units of townhouse housing on this site, of which 13 units (41%) will be affordable to moderate-income households. The development will include 26 buildings of which 6 will be duplex; all of the affordable units are single family dwellings. The CEDC has closed on its construction loan and is under construction. Due to unanticipated additional costs to the project incurred during review of the plans by the Inspectional Services Department, a funding gap of \$195,000 exists in the development budget. The CEDC received a \$79,000 grant from the Neighborhood Housing Trust on December 30, 1987, and seeks to convert its \$116,000 predevelopment loan to a grant to fill the remainder of the funding gap.

The Neighborhood Housing Trust voted on December 30, 1987 to recommend approval of this amendment to the Boston Redevelopment Authority. A copy of the vote is attached.

It is requested therefore that the Housing Creation Plan submitted by the Raymond Group as developer for Navy Yard Biotech and approved by the Boston Redevelopment Authority on July 16, 1987 be amended to convert to a grant the \$116,000 predevelopment expense loan extended to the Charlestown Economic Development Corporation for its proposed development of Parcel C-2A1 in Charlestown.

An appropriate vote follows:

VOTED:

That the Authority finds after consideration of the evidence submitted at a public hearing on this date, January 7, 1988, regarding the proposed amendment to the Housing Creation Plan submitted by the Raymond Group as developer for Navy Yard Biotech Associates Limited and approved by the Boston Redevelopment Authority on July 16, 1987: (1) that Navy Yard Biotech Associates Limited is obligated to pay approximately \$2,711,805 in Development Impact Project Exactions pursuant to Article 26 of the Boston Zoning Code and a Development Impact Project Agreement entered into by the Boston Redevelopment Authority and Navy Yard Biotech with regard to Building 149 in the Charlestown Navy Yard; (2) that Navy Yard Biotech submitted on July 16, 1987 a Housing Creation Proposal pursuant to Section 26-3.2 of the Boston Zoning Code; (3) that said Housing Creation Proposal committed \$116,000 in Development Impact Project Exaction funds to the Charlestown Economic Development Corporation for its proposed

development of Parcel C-2A1 in Charlestown as a predevelopment expense loan due and payable to the Neighborhood Housing Trust upon receipt of construction financing for the development; (4) that, due to unanticipated additional costs incurred by the CEDC during review by the Inspectional Services Department, a gap in the project financing exists; (5) that but for the conversion of the \$116,000 loan to a grant, CEDC would be unable to complete said affordable housing development; and (6) that application of the DIP Exactions from Navy Yard Biotech Associates Limited as proposed in this amendment to the Housing Creation Plan is necessary and appropriate to the development of said affordable housing; and (7) that the Neighborhood Housing Trust voted to recommend approval of the amendment to the Boston Redevelopment Authority at its meeting on December 30, 1987; (copy of the vote attached hereto and incorporated by reference herein)

AND FURTHER
VOTED:

That the Housing Creation Plan submitted by Navy Yard Biotech and approved by the Boston Redevelopment Authority on July 16, 1987 is hereby amended to convert to a development grant the \$116,000 predevelopment loan extended to the Charlestown Economic Development Corporation;

AND FURTHER
VOTED:

That the Director be and hereby is authorized to amend the Housing Creation Agreement pursuant to the Housing Creation Regulations and such other documents as may be necessary to implement the amended Housing Creation Proposal and ensure the successful development of the said affordable housing development, each on such terms and conditions as the Director may deem necessary and/or appropriate to the successful implementation of said development.

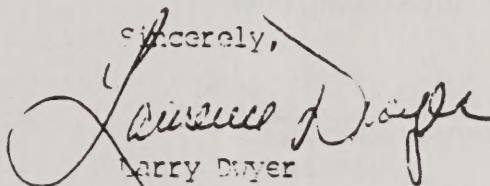
January 6, 1988

Mr. Stephen Coyle, Director
Boston Redevelopment Authority
One City Hall Plaza
Boston, MA 02201

Dear Mr. Coyle:

I am pleased to transmit the votes of the Neighborhood Housing Trust from our meeting of December 30, 1987; recommending that the authority approve the conversion of a Housing Creation loan in the amount of \$116,000 to a grant under the Housing Creation project for the Charlestown Economic Development Corporation (Parcel C-21) as submitted by Navy Yard Biotech Associates Limited on July 16, 1987.

Sincerely,

A handwritten signature in dark ink, appearing to read "Larry Sawyer". The signature is fluid and cursive, with a large initial "L" and "S".

Larry Sawyer
Chairman
Neighborhood Housing Trust

VOTE OF THE NEIGHBORHOOD HOUSING TRUST

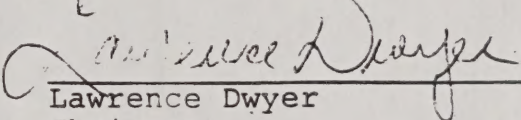
Approved at a Meeting of the Neighborhood Housing Trust

January 12, 1988

VOTED: That the Neighborhood Housing Trust after review and consideration according to the rules and regulations and criteria set forth in the RFP endorses and supports items A through F on the agenda. Infill Project, grant in the amount of \$370,840.; Navy Yard Townhouses, grant in the amount of \$210,000.; Habitat Houseraising Project, grant in the amount of \$88,000.; 483-487 Blue Hill Avenue, grant in the amount of \$200,000.; Monsignor Lyons, grant in the amount of \$220,000., Main Street Townhouses, conversion of previous housing creation loan to a grant (\$116,000.) and a grant in the amount of \$79,000.

Passed unanimously 12/30/87.

Attested to on Behalf of the
Neighborhood Housing Trust



Lawrence Dwyer
Chairman

